

CAUSE NO. DC-19-212

STATE OF TEXAS	§	IN THE DISTRICT COURT
	§	
Ex rel.	§	
	§	
VICTOR CANALES, JR., in his capacity	§	
as COUNTY ATTORNEY of STARR	§	
COUNTY, TEXAS,	§	
Relator, &	§	
	§	
RICARDO LOPEZ JR., Petitioner,	§	229th DISTRICT COURT OF
	§	
v.	§	
	§	
DANIEL J. GARCIA,	§	
in his capacity as	§	
RIO GRANDE CITY CONSOLIDATED	§	
INDEPENDENT SCHOOL DISTRICT	§	
SCHOOL BOARD MEMBER	§	
	§	
Defendant.	§	STARR COUNTY, TEXAS

**PETITION FOR REMOVAL OF RIO GRANDE CITY CONSOLIDATED**  
**INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER**  
**DANIEL J. GARCIA**

**TO THE HONORABLE JUDGE OF THE DISTRICT COURT OF STARR COUNTY:**

COMES NOW and Petitioner RICARDO LOPEZ JR. and Relator Victor Canales, Jr. files this petition for removal, and would show the Court as follows:

1. This petition is brought pursuant to Chapter 87 of the Texas Local Government Code.
2. Any resident of this state who has lived for at least six months in the county in which the petition is to be filed and who is not currently under indictment in the county may file the petition. Tex. Loc. Gov't. Code § 87.015(b). Petitioner is RICARDO LOPEZ JR., a resident of Texas and this County for at least the last six months and is not currently under indictment.
3. Relator is Victor Canales, Jr., in his capacity as County Attorney for the County of Starr. Tex. Loc. Gov't Code § 87.018(d) (stating the county attorney shall represent the state in a proceeding for the removal of an officer.)

4. Defendant is DANIEL J. GARCIA, an elected RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER. *See* Tex. Loc. Gov't. Code § 87.012(14).

#### FACTS

5. On or about April 9, 2019 Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER, was indicted by the duly selected, empaneled, sworn, charged, and organized grand jury for the United States District Court Southern District of Texas McAllen Division.

6. Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER, was indicted as part of a 75 count Federal Indictment wherein in excess of \$4 Million dollars were allegedly embezzled in a scheme of fraud, conspiracy and laundering to allow bribes for co-defendants from the construction of a Water Plant which was constructed with federal monies. Said alleged scheme was orchestrated through current Rio Grande City Consolidated Independent School District School Board Vice-President Leticia O. Lopez' husband Leo Lopez Jr. (himself a former Rio Grande City Consolidated Independent School District School Board Member, who plead guilty to a directly related count of bribery involving federal programs on March 22, 2019). In substance, the federal indictments allege that bot Leo Lopez, Jr. and Daniel J. Garcia conspired with others to commit bribery and other federal offenses, at least some or all of the alleged acts of conspiracy occurred at a time when both Leo Lopez, Jr. and Daniel J. Garcia were sitting Rio Grande City Consolidated Independent School District School Board Members. The scheme included as co-conspirators and co-defendants Former Precinct 1 Hidalgo County Commissioner A.C. Cuellar Jr., former District 2 Weslaco City Commissioner John Cuellar, along with at the time Rio Grande City municipal judge (and former Rio Grande City Consolidated Independent School District School Board Member) Leonel Lopez Jr. and at time of arrest current District 4 Weslaco City Commissioner Gerardo "Jerry" Tafolla,, all whom are accused of participating in a bribery scheme between 2008 and 2016.

7. The grand jury returned seven counts in the Indictment against Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER. [Exhibit 1]

8. In Criminal No. M-19-0522-S1 Count 1, the grand jury indicted Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

SCHOOL BOARD MEMBER for one count of Conspiracy to Commit Honest Services Wire Fraud; [Exhibit 1]

9. In Criminal No. M-19-0522-S1 Count 2, the grand jury indicted Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER for one count of Honest Services Wire Fraud; [Exhibit 1]

10. In Criminal No. M-19-0522-S1 Count 3, the grand jury indicted Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER for one count of Honest Services Wire Fraud; [Exhibit 1]

11. In Criminal No. M-19-0522-S1 Count 4, the grand jury indicted Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER for one count of Honest Services Wire Fraud; [Exhibit 1]

12. In Criminal No. M-19-0522-S1 Count 5, the grand jury indicted Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER for one count of Honest Services Wire Fraud; [Exhibit 1]

13. In Criminal No. M-19-0522-S1 Count 6, the grand jury indicted Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER for one count of Honest Services Wire Fraud; [Exhibit 1]

14. In Criminal No. M-19-0522-S1 Count 7, the grand jury indicted Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER for one count of Honest Services Wire Fraud; [Exhibit 1]

15. In Criminal No. M-19-0522-S1 Count 11, the grand jury indicted Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER for one count of Conspiracy to Launder Monetary Instruments; [Exhibit 1]

16. In addition, Beginning in November of 2017 and continuing through the present date, it is alleged that Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER conspired to illegally solicit employment, attempt to bribe a State District Court Judge and in his official capacity as School Board President offer/withhold promotions and pay raises to school employees contingent on his being hired in a murder case.

17. It is further alleged that Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER in his former capacity as School Board President offered a school employee a promotion and/or withheld pay raises to ensure that the employee solicited the family of the defendant in a murder case so that they would hire and retain Mr. Garcia as his attorney.

18. Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER was in fact retained as the defendant's attorney as evidenced by Exhibit 2.

19. It is alleged that Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER conspired with another public official to disclose information that was law enforcement sensitive and not available to the public in order to further secure him being hired.

20. Upon being hired and while he was representing the defendant, it is alleged that Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER, through the same method of influence and manipulation in his former position as School Board President, orchestrated the attempted bribe of the 381<sup>st</sup> District Court Judge.

21. It is alleged that Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER in his former capacity as School Board President additionally conspired to receive payments by RGCCISD employees in exchange for promotions and/or pay raises.

22. Defendant Daniel J. Garcia, a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER is implicated through corroborated statements and documented records collected by the law enforcement agency Starr County Special Crimes Unit.

#### **REMOVAL IS WARRANTED**

23. An officer may be removed for: (1) incompetency; (2) official misconduct; or (3) intoxication on or off duty caused by drinking an alcoholic beverage. Tex. Loc. Gov't. Code § 87.013(a)(1)-(3).

24. "Incompetency" means: (A) gross ignorance of official duties; (B) gross carelessness in the discharge of those duties; or (C) unfitness or inability to promptly and properly discharge



official duties because of a serious physical or mental defect that did not exist at the time of the officer's election. Tex. Loc. Gov't. Code § 87.011(2)(A)-(C).

25. "Official misconduct" means intentional, unlawful behavior relating to official duties by an officer entrusted with the administration of justice or the execution of the law. The term includes an intentional or corrupt failure, refusal, or neglect of an officer to perform a duty imposed on the officer by law.

26. The district judge may, under this subchapter, remove from office: (14) a member of the board of trustees of an independent school district. Tex. Loc. Gov't. Code § 87.012(14).

27. Defendant's behavior and criminal conduct described above constitutes official misconduct and/or incompetency.

#### **SUPENSION PENDING TRIAL; TEMPORARY APPOINTEE**

28. After the issuance of the order requiring citation of the officer, the district judge may temporarily suspend the officer and may appoint another person to perform the duties of the office. Tex. Loc. Gov't. Code § 87.017(a).

29. The judge may not suspend the officer until the person appointed to serve executes a bond, with at least two good and sufficient sureties, in an amount fixed by the judge and conditioned as required by the judge. Tex. Loc. Gov't. Code § 87.017(b).

30. Petitioner and Relator respectfully request that, after notice and hearing, Defendant be suspended from performing the duties of being a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER and that this Honorable Court appoint another person to perform the duties of the aforesaid officer, pending trial of this cause.

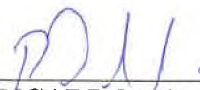
#### **PRAYER**

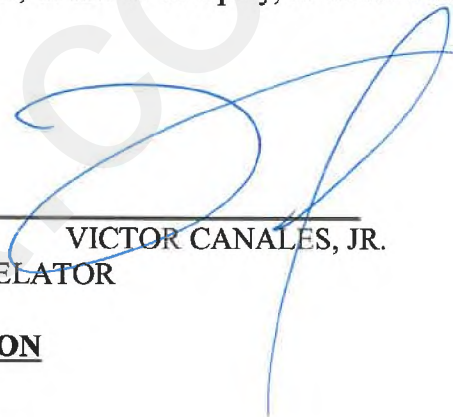
**WHEREFORE, PREMISES CONSIDERED,** Petitioner and Relator respectfully pray that Defendant, DANIEL J. GARCIA, be cited to appear and answer herein, on a date, fixed by the judge, after the fifth day after the date the citation is served, pursuant to Section 87.017(d) of the Texas Local Government Code and that upon final hearing this Honorable Court find as follows:

- that said Defendant be immediately restrained and enjoined from attending and/or participating in any Rio Grande City Consolidated Independent School District School Board Meetings until this matter is heretofore resolved and/or adjudicated;

- that said Defendant is incompetent to perform the duties of the Office of the RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER;
- that Defendant be removed from his elected position as a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER;
- that, pending trial, after notice and hearing, this Honorable Court appoint another person to perform the duties of the office of a RIO GRANDE CITY CONSOLIDATED INDEPENDENT SCHOOL DISTRICT SCHOOL BOARD MEMBER;
- that all costs be taxed to Defendant; and,
- that Petitioner be further granted all other relief, at law or in equity, to which Petitioner may show itself justly entitled.

Respectfully submitted,

  
 RICARDO LOPEZ JR.  
 PETITIONER


  
 VICTOR CANALES, JR.  
 RELATOR

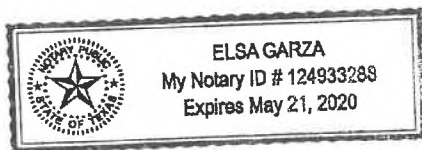
**VERIFICATION**


STATE OF TEXAS §  
 COUNTY OF STARR §

BEFORE ME, the undersigned authority, personally appeared Victor Canales, Jr. who stated, upon oath, that the statements made in the foregoing instrument are true and correct pursuant to Section 87.015(b) of the Texas Local Government Code.

  
 VICTOR CANALES, JR.

 SUBSCRIBED AND SWORN TO BEFORE ME on this the 3<sup>rd</sup> day of May, 2019, by Victor Canales, Jr.



  
 Notary Public, State of Texas

**VERIFICATION**

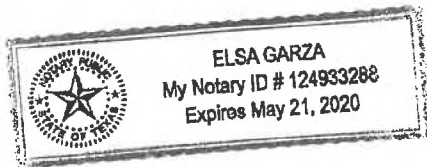
STATE OF TEXAS  
COUNTY OF STARR

§  
§

BEFORE ME, the undersigned authority, personally appeared RICARDO LOPEZ JR. who stated, upon oath, that the statements made in the foregoing instrument are true and correct pursuant to Section 87.015(b) of the Texas Local Government Code.

  
RICARDO LOPEZ JR.

May, 2019, by RICARDO LOPEZ JR.. SUBSCRIBED AND SWORN TO BEFORE ME on this the 3<sup>rd</sup> day of



  
Notary Public, State of Texas

DC-19-212  
Starr County - District Clerk

Filed: 5/6/2019 12:38 PM  
Orlando Velasquez, District Clerk  
Starr County, Texas

Zeida Leija

# EXHIBIT 1





commission to serve as mayor pro tem. As a commissioner, **JOHN F. CUELLAR** was an agent of the City of Weslaco.

4. Defendant **DANIEL J. GARCIA (GARCIA)** is an attorney based in Rio Grande City, Texas, who served on the Rio Grande City Consolidated Independent School District Board of Trustees.

5. Leonel "Leo" **LOPEZ (LOPEZ)** is a resident of Starr County, Texas.

6. Gerardo "Jerry" **TAFOLLA (TAFOLLA)** is a resident of Weslaco, Texas and an elected member of the commission.

7. Company A was an international engineering and construction company that performed large-scale infrastructure projects for public and private clients. Person A was an employee of Company A.

8. Company B was an engineering company based in San Antonio, Texas. Person B was the owner of Company B.

9. Company C was an engineering company based in McAllen, Texas. Person C was the owner of Company C.

10. Company D was a business entity owned, in part, by **ARTURO C. CUELLAR, JR.** and based in Corpus Christi, Texas.

11. Person D was an attorney based in Houston, Texas.

#### **GENERAL ALLEGATIONS**

##### **The Weslaco City Commission**

12. The Texas Constitution, the laws of the State of Texas, and the charter of the City of Weslaco established ethical standards of conduct for elected public officials, including Weslaco City Commissioners. These standards included an oath to faithfully execute the duties of the office of commissioner and to preserve, protect, and defend the Constitution and the laws of the United

States and the State of Texas. Accordingly, commissioners owed a fiduciary duty to the City of Weslaco, the commission, and the people of the City of Weslaco.

13. As officials in the city government, defendant **JOHN F. CUELLAR** and **TAFOLLA** each owed a fiduciary duty to the City of Weslaco and to its citizens to perform the duties and responsibilities of their office free from corrupt influence. As elected officials in the State of Texas, **JOHN F. CUELLAR** and **TAFOLLA** swore to uphold the United States Constitution, the Texas Constitution, and the laws of the State of Texas and to faithfully execute the duties of their office.

14. The commission was authorized to take official action only when a quorum—a majority of duly elected commissioners—was present. When a quorum was present, the commission could act based on a majority vote.

15. Pursuant to the Texas Open Meetings Act, Tex. Gov't Code Ann. § 551, *et seq.*, the commission, as a city government in Texas, was authorized to conduct official business only after providing at least 72 hours of public notice of the time, place, and subject matter of the meeting. Such meetings were generally required to be open to the public, with closed meetings and executive sessions permitted only under narrowly drawn exceptions.

16. Prior to May 2008, the commission was comprised of a mayor, a mayor pro tem, and three commissioners elected at large. The mayor pro tem was a commissioner selected by a majority vote of the commissioners to assume the mayor's duties when the mayor was absent.

17. Starting in or about May 2008, the commission was comprised of six commissioners elected from single-member districts, a mayor elected at large, and a mayor pro tem, selected in the same manner as prior to May 2008.

18. Due to his long tenure on the commission and relationship to **ARTURO C. CUELLAR, JR.**, a prominent politician in Hidalgo County, **JOHN F. CUELLAR** exerted a significant amount of power and influence on the commission and over other city officials. **JOHN F. CUELLAR** was the *de facto* leader of the commission's majority voting bloc during the vast majority of the charged conspiracy.

**The Weslaco Water Treatment Facilities**

19. In or about 2004, the Texas Commission on Environmental Quality ("TCEQ") notified the City of Weslaco that its water treatment facilities were in violation of Texas environmental regulations. The city's water treatment facilities included the Water Treatment Plant (WTP), which processed the city's potable water, and the North Wastewater Treatment Plant (NWWTP) and South Wastewater Treatment Plant (SWWTP), which together processed the city's wastewater.

20. In or about 2007, the commission voted to issue approximately \$28 million in municipal bonds to finance several infrastructure projects in the Weslaco area. The two largest and costliest projects to be paid for by the bond funds were to rebuild the NWWTP and to perform repairs to the WTP.

21. In or about 2008, the commission hired Company A to act as the construction manager for the infrastructure projects to be funded by the bond issuance. Under the contract, Company A would effectively select the companies to perform the infrastructure work to be paid for with the bond funds.

22. In or about March 18, 2008, Company A granted to itself, subject to the approval of the commission, the contracts to rehabilitate the NWWTP and WTP, the two costliest projects to be completed using the \$28 million in municipal bond proceeds.



**THE CONSPIRACY**

23. From in or about March 2008 through in or about December 2016, in the Southern District of Texas and elsewhere, the defendants,

**RICARDO QUINTANILLA,  
also known as "Richard,"  
JOHN F. CUELLAR,  
ARTURO C. CUELLAR, JR.,  
also known as "A.C.,"  
and  
DANIEL J. GARCIA**

LOPEZ, and TAFOLLA, did knowingly combine, conspire, confederate, and agree together and with others known and unknown to the Grand Jury, to devise and intend to devise a scheme and artifice to defraud and to deprive, by means of material false and fraudulent pretenses, representations, and promises, and to transmit and cause to be transmitted by means of wire communication in interstate commerce, any writings, signs, signals, pictures, and sounds for the purpose of executing the scheme and artifice to defraud and deprive, that is, to deprive the City of Weslaco, the Weslaco City Commission, and the citizens of Weslaco of their right to the honest services of JOHN F. CUELLAR and TAFOLLA through bribery, in violation of 18 U.S.C. §§ 1343 and 1346.

**THE SCHEME TO DEFRAUD**

24. From in or about March 2008 through in or about December 2016, in the Southern District of Texas and elsewhere, the defendants, **QUINTANILLA, JOHN F. CUELLAR, ARTURO C. CUELLAR, JR., GARCIA, LOPEZ, and TAFOLLA**, and others known and unknown to the Grand Jury, devised and intended to devise a scheme and artifice to defraud and to deprive the City of Weslaco, the Weslaco City Commission, and the citizens of Weslaco of their intangible right to the honest services of JOHN F. CUELLAR and TAFOLLA, both elected officials, through bribery.

**PURPOSE OF THE CONSPIRACY**

25. The purposes of the conspiracy included, but were not limited to, the following:

a. For **JOHN F. CUELLAR** to enrich himself by accepting bribes in exchange for using his official position as a Weslaco City Commissioner to take official acts to benefit and help Company A, Company B, and Company C obtain millions of dollars in contracts from the City of Weslaco;

b. For **TAFOLLA** to enrich himself by accepting bribes in exchange for using his official position as a Weslaco City Commissioner to take official acts to benefit and help Company A, Company B, and Company C obtain millions of dollars in contracts from the City of Weslaco;

c. For **ARTURO C. CUELLAR, JR.** to enrich himself by keeping a portion of the bribe funds paid to him by **LOPEZ** and then pay the remainder of the bribe funds to **JOHN F. CUELLAR**;

d. For **QUINTANILLA** to enrich himself by keeping a portion of the bribe funds paid to him by **LOPEZ** and then pay the remainder of the bribe funds to **TAFOLLA**;

e. For **LOPEZ** to enrich himself by keeping a portion of the bribe funds paid by Company B and Company C; and

f. For **GARCIA** to help **ARTURO C. CUELLAR, JR.**, **JOHN F. CUELLAR**, and **LOPEZ** conceal the bribery conspiracy by laundering the bribes through his interest on lawyers trust account (IOLTA).

**MANNER AND MEANS OF THE CONSPIRACY**

26. The manner and means by which the defendants carried out the conspiracy included, but were not limited to, the following:



a. LOPEZ accepted at least approximately \$4.1 million, paid through Company B and Company C, in order to pay bribes to **JOHN F. CUELLAR** and **TAFOLLA**, through **ARTURO C. CUELLAR, JR.** and **QUINTANILLA**, respectively.

b. **ARTURO C. CUELLAR, JR., QUINTANILLA**, and **LOPEZ** corruptly gave, offered, and promised things of value to **JOHN F. CUELLAR** and **TAFOLLA**, including hundreds of thousands of dollars in cash, in exchange for specific official action favorable to Company A, Company B, and Company C, including votes authorizing multi-million dollar contracts for water treatment facilities in the City of Weslaco.

c. **JOHN F. CUELLAR, ARTURO C. CUELLAR, JR., QUINTANILLA**, **LOPEZ** and **TAFOLLA**, and other co-conspirators met at various locations in the Southern District of Texas and elsewhere, to discuss the official action that **JOHN F. CUELLAR** and **TAFOLLA** should take to benefit Company A, Company B, and Company C, and to discuss the payment of bribes.

d. In order to conceal the scheme, **JOHN F. CUELLAR, ARTURO C. CUELLAR, JR., QUINTANILLA, LOPEZ**, and **TAFOLLA**, took steps to anonymously funnel the bribe payments to **JOHN F. CUELLAR** and **TAFOLLA** in a manner to avoid detection that the payments came from Company B and Company C, including the following:

i. **LOPEZ** received payments from Company B and Company C, as well as payments from Company A that were passed through Company B and Company C, for the purpose of paying bribes to **JOHN F. CUELLAR** and **TAFOLLA**, disguised as consulting fees due to **LOPEZ**.

ii. From in or about March 26, 2008 to in or about November 24, 2014, LOPEZ wrote a total of approximately \$1,398,000 in checks to **ARTURO C. CUELLAR, JR.** drawn on LOPEZ's accounts at Lone Star National Bank.

iii. From on or about April 21, 2011 to on or about November 6, 2014 **ARTURO C. CUELLAR, JR.** directed employees of Company D to make a total of approximately \$405,000 in payments to **JOHN F. CUELLAR** from Company D, disguised as payments for legitimate legal services.

iv. From on or about December 2012 to on or about April 2013, **ARTURO C. CUELLAR, JR., JOHN F. CUELLAR, and DANIEL J. GARCIA** funneled at least approximately \$90,000 in bribe payments, disguised as payments for legitimate legal services, through the IOLTA account for **GARCIA's** law firm.

v. From on or about September 2011 to on or about October 2014, LOPEZ wrote a total of approximately \$85,950 in checks to **QUINTANILLA** drawn on LOPEZ's accounts at Lone Star National Bank.

vi. **QUINTANILLA** converted the checks from LOPEZ to cash at Lone Star National Bank and shared approximately half of the cash with **TAFOLLA**.

e. **JOHN F. CUELLAR** and **TAFOLLA** cast votes, at the direction of **LOPEZ, ARTURO C. CUELLAR, JR., QUINTANILLA,** and their co-conspirators, to award contracts and payments to Company A, Company B, and Company C, or to benefit Company A, Company B, and Company C in the execution and administration of their contracts with the city.

f. **JOHN F. CUELLAR** directed city officials to call special meetings of the commission wherein votes could be taken to benefit Company A, Company B, and Company C, because special meetings were not publicized or recorded in the same way as regular commission meetings, and the short notice provided for special meetings prevented commissioners who would not vote with **JOHN F. CUELLAR** from attending.

g. In or about 2016, **LOPEZ, QUINTANILLA**, and their co-conspirators provided TAFOLLA with questions to ask of other city officials, and which were intended to benefit Company B, during a dispute between the City of Weslaco and Company B over the City of Weslaco's refusal to pay Company B's invoices for the WTP.

h. **JOHN F. CUELLAR, ARTURO C. CUELLAR, JR., QUINTANILLA, LOPEZ** and TAFOLLA, and their co-conspirators used wire communications in interstate commerce, such as mobile messaging applications, email, and interstate bank transfers, in furtherance of the scheme to defraud.

#### **OVERT ACTS**

27. In furtherance of the conspiracy and in order to accomplish its objects, **JOHN F. CUELLAR, ARTURO C. CUELLAR, JR., QUINTANILLA, LOPEZ** and TAFOLLA and their co-conspirators committed the following overt acts, among others, in the Southern District of Texas and elsewhere:

28. In or about 2008, Person A and Person B agreed with **LOPEZ** that they would pay **LOPEZ** to ensure that Company A and Company B obtained the contracts for certain construction and engineering projects relating to the city's water treatment facilities. **LOPEZ** agreed with **ARTURO C. CUELLAR, JR.** and **JOHN F. CUELLAR** that **JOHN F. CUELLAR** would take official action as a Weslaco City Commissioner to benefit Company A and Company B, such as by voting to grant them contracts with the city, in exchange for bribe payments



29. In or about 2011, LOPEZ, with the knowledge of **JOHN F. CUELLAR** and **ARTURO C. CUELLAR, JR.**, obtained the agreement of **QUINTANILLA**, to obtain the agreement of another commissioner to accept bribes in exchange for the agreement to take official action as a Weslaco City Commissioner to benefit Company A and Company B, such as by voting to grant them contracts with the city. **QUINTANILLA** obtained the agreement of **TAFOLLA** to take official action as a Weslaco City Commissioner to benefit Company A and Company B, such as by voting to grant them contracts with the city in exchange for bribe payments paid from LOPEZ through **QUINTANILLA**.

30. In or about 2012, Person B recruited Person C to funnel bribe payments to LOPEZ. Person C agreed to do so in exchange for the agreement that Company C would receive subcontracts on the WTP and contracts with the City of Weslaco. **JOHN F. CUELLAR** and **TAFOLLA** agreed, through LOPEZ, **ARTURO C. CUELLAR, JR.**, and **QUINTANILLA**, to take official action as a Weslaco City Commissioner to benefit Company C, such as by voting to grant it contracts with the city, in exchange for bribe payments.

#### The Water Treatment Facilities

##### The NWWTP

31. On or about March 25, 2008, **JOHN F. CUELLAR** made a motion to grant a professional services contract to Company A to perform engineering services to rehabilitate the WTP and to construct a new NWWTP. On the same date, **JOHN F. CUELLAR** voted in favor of that motion.

32. In or about May 2008, in the absence of Weslaco's mayor, **JOHN F. CUELLAR** executed a professional services agreement with Company A.

33. On or about November 4, 2008, **JOHN F. CUELLAR** made a motion to place additional projects under Company A's contract. On the same date, **JOHN F. CUELLAR** voted in favor of that motion.

34. On or about August 18, 2009, **JOHN F. CUELLAR** spoke against a motion to reprioritize the 2007 bond funds to shift money from the NWWTP to the WTP, the contracts for both of which had been granted to Company A. The effect of the shifting of funds, as proposed, would have been to reduce the total amount of money due to Company A under the contracts. On the same date, **JOHN F. CUELLAR** voted to oppose that motion, instead asserting to the commission that the NWWTP and WTP be given equal significance, keeping the amount of money due to Company A under the contracts the same. Despite **JOHN F. CUELLAR**'s vote, the motion carried.

35. On or about September 1, 2009, **JOHN F. CUELLAR** took the following actions:

a. made a motion before the commission to suspend Robert's Rules of Order to allow the commission to reconsider **JOHN F. CUELLAR**'s motion that the NWWTP and WTP be considered with equal importance with regard to apportioning the 2007 bond funds, an initiative that had been defeated at the August 18, 2009 meeting;

b. voted in favor of the motion to suspend Robert's Rules of Order to allow the commission to reconsider **JOHN F. CUELLAR**'s motion that the NWWTP and WTP be considered with equal importance with regard to apportioning the 2007 bond funds;

c. made a motion before the commission that the NWWTP and WTP be considered with equal importance with regard to apportioning the 2007 bond funds; and

d. voted in favor of the motion that the NWWTP and WTP be considered with equal importance with regard to apportioning the 2007 bond funds.



The WTP

36. In or about 2011, **JOHN F. CUELLAR** advised and pressured city staff to grant no-bid contracts to Company A and Company B to design and construct a new WTP.

37. On or about January 18, 2011, **JOHN F. CUELLAR** voted to authorize the city manager and the city attorney to negotiate a new professional services agreement with Company A to prepare a preliminary engineering report on the WTP.

38. On or about August 16, 2011,

a. **JOHN F. CUELLAR** made a motion before the commission to approve the preliminary engineering report on the WTP prepared by Company A;

b. **JOHN F. CUELLAR** and TAFOLLA voted to approve the preliminary engineering report on the WTP prepared by Company A; and

c. **JOHN F. CUELLAR** and TAFOLLA voted to declare that the WTP was exceeding capacity and failing to meet public water demand, thereby creating an imminent threat to public health and safety. This declaration allowed the commission to directly grant construction contracts to address violations issued by TCEQ, bypassing ordinary bidding and qualification procedures.

39. On or about September 8, 2011, **JOHN F. CUELLAR** and TAFOLLA took the following actions:

a. voted to authorize the city manager to negotiate a preconstruction services contract with Company A for the WTP; and

b. voted in favor of a motion for the city manager to negotiate a contract with Company B for the design of an expansion to the WTP and associated projects.

Due to the declaration from the August 16, 2011 meeting that the WTP represented an imminent threat to public health and safety, the commission was able to grant these contracts without the ordinary competitive bidding and qualification process.

40. On or about October 6, 2011, TAFOLLA voted to approve a professional services agreement with Company B for the design of the WTP and a professional services agreement with Company A for the pre-construction services for the WTP.

41. On or about March 27, 2012, **JOHN F. CUELLAR** and TAFOLLA voted to authorize the mayor to execute a contract, valued at approximately \$38.5 million, with Company A for the expansion of the WTP and to authorize city staff to amend the city budget to accommodate the \$38.5 million contract with Company A.

42. On or about June 5, 2012, **JOHN F. CUELLAR** and TAFOLLA voted to approve the City of Weslaco's entering into a professional services agreement with Company C.

43. In or about 2012, Person A and Person B told **LOPEZ** that they needed the commission to approve an amendment increasing the price of Company B's contract with the city. Person A and Person B told **LOPEZ** that the additional funds from this amendment would enable Person B to continue paying **LOPEZ**, so that **LOPEZ** could, in turn, continue paying others.

44. On or about September 20, 2012, **JOHN F. CUELLAR** and TAFOLLA voted to approve an amendment to the contract with Company B to include automation and daily construction inspection in an amount not to exceed \$2,978,950, to authorize a budget amendment as appropriate, and to authorize the mayor to execute any related documents.

#### The SWWTP

45. In or about 2013, **JOHN F. CUELLAR** advised and pressured city staff, including the city manager, to grant contracts to Company B.

46. On or about July 16, 2013, **JOHN F. CUELLAR** and **TAFOLLA** voted to amend the city's contract with Company B to authorize Company B to prepare a preliminary engineering report for repairs to the SWWTP.

47. On or about September 2, 2014, **JOHN F. CUELLAR** and **TAFOLLA** voted to approve the final preliminary engineering report for the SWWTP, prepared by Company B, and authorize a budget amendment to pay Company B for the report.

48. **JOHN F. CUELLAR** and **TAFOLLA** made the motions, cast the votes, and took the other official actions referenced in paragraphs 28 through 47 in their official capacities as Weslaco City Commissioners during Weslaco City Commission meetings.

**Other Acts**

49. **JOHN F. CUELLAR**, **ARTURO C. CUELLAR, JR.**, **QUINTANILLA**, **LOPEZ**, and **TAFOLLA**, and their co-conspirators used wire communications in interstate commerce, such as mobile messaging applications, email, and interstate bank transfers, in furtherance of the scheme to defraud.

50. In or about February 2016, **LOPEZ** sent to **QUINTANILLA**, via electronic messages over a cellular telephone, questions that **LOPEZ** wanted **TAFOLLA** to ask in upcoming city commission meetings. These questions were crafted to benefit Company B in its attempts to recover payments for the WTP from the City of Weslaco, after the city stopped paying Company B.

51. On or about September 1, 2016, **LOPEZ** and Person B discussed the money still owed to **LOPEZ** as part of the bribery scheme and discussed how Person B would provide the remaining funds to **LOPEZ**.



**Bribe Payments**

**Payments to LOPEZ**

52. In or about 2008, Company B began paying LOPEZ approximately \$17,000 per month.

53. In or about February 2011, around the time that **JOHN F. CUELLAR** voted to approve the professional services agreement with Company A to prepare a preliminary engineering report on the WTP, Company B increased the amount paid on a monthly basis to LOPEZ from approximately \$17,000 to approximately \$25,000 to \$40,000 per month.

54. From in or about June 2012 to in or about May 2014, Person B paid a total of approximately \$300,000, in four payments of approximately \$75,000 each, to LOPEZ under the pretense that Person B was leasing a hunting property that belonged to LOPEZ. In truth, these purported lease payments were another way for Person B to pay bribe money to LOPEZ.

55. In all, from in or about April 2008 through in or about December 2015, Person B and Company B paid over approximately \$2.5 million to LOPEZ in regular payments of approximately \$1,000 to approximately \$75,000.

56. On or about April 2012, shortly after **JOHN F. CUELLAR** and **TAFOLLA** voted to authorize the mayor to execute the \$38.5 million contract with Company A, Person C made a payment of approximately \$85,000 to LOPEZ. From that point forward, Person C made payments ranging from approximately \$75,000 to approximately \$150,000 to LOPEZ at various periods throughout the year, until approximately July 2014.

57. From in or about April 2012 through in or about July 2014, Company C paid over approximately \$1.6 million to LOPEZ.

Payments to ARTURO C. CUELLAR, JR.

58. LOPEZ shared the money he received from Company B and Company C with **ARTURO C. CUELLAR, JR.** through monthly payments of approximately \$5,000 to **ARTURO C. CUELLAR, JR.**, beginning at least by on or about March 26, 2008, so that **ARTURO C. CUELLAR, JR.** could pay bribes to **JOHN F. CUELLAR**.

59. In or about May 2011, LOPEZ's monthly payments to **ARTURO C. CUELLAR, JR.** increased, ranging from approximately \$10,000 to more than \$60,000 approximately monthly.

60. Through these monthly payments, from in or about March 2008 through in or about November 2014, LOPEZ paid approximately \$1,398,000 to **ARTURO C. CUELLAR, JR.**

Payments to JOHN F. CUELLAR

61. In or about April 2011, **ARTURO C. CUELLAR, JR.** directed employees of Company D to begin making semi-monthly payments of approximately \$5,000 to \$7,500 to **JOHN F. CUELLAR**, despite the fact that **JOHN F. CUELLAR** was not providing services to Company D. Company D's employees complied.

62. From in or about April 2011 through in or about November 2014, **ARTURO C. CUELLAR, JR.** paid approximately \$405,000 to **JOHN F. CUELLAR** through Company D in semi-monthly payments ranging from approximately \$5,000 to approximately \$7,500, disguised as payments for legal services that were never rendered, so that **JOHN F. CUELLAR** would take official actions to benefit Company A, Company B, and Company C.

63. The payments from LOPEZ to **ARTURO C. CUELLAR, JR.** and the payments from Company D to **JOHN F. CUELLAR** stopped promptly in November 2014 upon **JOHN F. CUELLAR's** loss of his re-election bid for the commission.



Payment of Bribes to JOHN F. CUELLAR through GARCIA

64. In or about December 2012, **GARCIA** agreed to assist **LOPEZ** and **ARTURO C. CUELLAR, JR.** in providing approximately \$90,000 in bribe payments to **JOHN F. CUELLAR** using **GARCIA**'s law practice and IOLTA account. **LOPEZ** agreed with **GARCIA** that, in exchange for **GARCIA**'s assistance in providing bribe funds to **JOHN F. CUELLAR**, **LOPEZ** and **ARTURO C. CUELLAR, JR.** would help Person D, a friend of **GARCIA**, obtain employment.

65. On or about December 18, 2012, **LOPEZ** wrote Check No. 1109 from Lone Star Bank Acct. No. \*\*\*\*9303 to **GARCIA** in the amount of \$60,000 and provided instructions for **GARCIA** to pay those funds to **JOHN F. CUELLAR**.

66. On or about December 19, 2012, **GARCIA** deposited Check No. 1109 for \$60,000 from **LOPEZ** into Lone Star National Bank Acct. No. \*\*\*\*9362, one of **GARCIA**'s IOLTA accounts.

67. On or about December 19, 2012, **GARCIA** wrote Check No. 1022 from Lone Star National Bank Acct. No. \*\*\*\*9362, one of **GARCIA**'s IOLTA accounts, in the amount of \$40,000 to **JOHN F. CUELLAR**.

68. On or about December 19, 2012, **GARCIA** wrote Check No. 1184 from Bank of America Acct. No. \*\*\*\*9717, one of **GARCIA**'s IOLTA accounts, in the amount of \$20,000 to **JOHN F. CUELLAR**.

69. On or about December 19, 2012, **JOHN F. CUELLAR** deposited Check Nos. 1022 and 1184 from Lone Star National Bank Acct. No. \*\*\*\*9362 and Bank of America Acct. No. \*\*\*\*9717, in the amounts of \$40,000 and \$20,000, respectively, into Inter National Bank Acct. No. \*\*623.

70. On or about January 29, 2013, LOPEZ wrote Check No. 1228 from Lone Star Bank Acct. No. \*\*\*\*9303 to **GARCIA** in the amount of \$40,000 and provided instructions for **GARCIA** to pay those funds to **JOHN F. CUELLAR**.

71. On or about January 30, 2013, **GARCIA** deposited Check No. 1228 from Lone Star Bank Acct. No. \*\*\*\*9303 into Lone Star National Bank Acct. No. \*\*\*\*9362, one of **GARCIA**'s IOLTA accounts.

72. On or about March 12, 2013, **GARCIA** wrote Check No. 1028 from Lone Star National Bank Acct. No. \*\*\*\*9362, one of **GARCIA**'s IOLTA accounts, in the amount of \$15,000 to **JOHN F. CUELLAR**.

73. On or about March 13, 2013, **JOHN F. CUELLAR** deposited check no. 1028 from Lone Star National Bank Acct. No. \*\*\*\*9362, in the amount of \$15,000, into Inter National Bank Acct. No. \*\*623.

74. On or about April 12, 2013, **GARCIA** wrote Check No. 1030 from Lone Star National Bank Acct. No. \*\*\*\*9362, one of **GARCIA**'s IOLTA accounts, in the amount of \$15,000 to **JOHN F. CUELLAR**.

75. On or about April 15, 2013, **JOHN F. CUELLAR** deposited Check No. 1030 from Lone Star National Bank Acct. No. \*\*\*\*9362, in the amount of \$15,000, into Inter National Bank Acct. No. \*\*623.

76. In or about 2013, LOPEZ, **ARTURO C. CUELLAR, JR.**, and **GARCIA** discussed **GARCIA**'s payments to **JOHN F. CUELLAR** using **GARCIA**'s IOLTA account.

77. In or about August 2014, **ARTURO C. CUELLAR, JR.**, and **JOHN F. CUELLAR** helped Person D obtain employment with the City of Weslaco in exchange for **GARCIA**'s assistance in providing bribe funds to **JOHN F. CUELLAR**.

Payments to TAFOLLA

78. In or about 2011, LOPEZ began writing checks to QUINTANILLA approximately once per month, in amounts ranging from approximately \$500 to approximately \$3,500. QUINTANILLA cashed these checks and provided approximately half of the cash to TAFOLLA.

79. From on or about September 15, 2011 to in or about October 22, 2014, LOPEZ wrote approximately 41 checks drawn on Lone Star National Bank Acct. Nos. \*\*\*\*9303, \*\*\*\*5069, and \*\*\*\*9214 to QUINTANILLA, in the amount of approximately \$500 to approximately \$5,000 each, for a total of \$85,950, so that QUINTANILLA could make bribe payments to TAFOLLA. QUINTANILLA converted these checks to cash at a Lone Star National Bank branch.

All in violation of Title 18, United States Code, Sections 1343, 1346, and 1349.

**COUNTS TWO to SEVEN**  
**18 U.S.C. §§ 1343, 1346**  
**(Honest Services Wire Fraud)**

80. Paragraphs 1-79 are incorporated by reference as though fully set forth herein.

81. From in or about 2008 and continuing through in or about December 2016, in the Southern District of Texas and elsewhere, the defendants,

**RICARDO QUINTANILLA,**  
**also known as "Richard"**  
**JOHN F. CUELLAR,**  
**ARTURO C. CUELLAR, JR.,**  
**also known as "A.C.,"**  
**and**  
**DANIEL J. GARCIA**

LOPEZ and TAFOLLA, and others known and unknown to the grand jury, devised and intended to devise a scheme and artifice to defraud the City of Weslaco, the Weslaco City Commission, and the citizens of Weslaco of their intangible right to the honest services of JOHN F. CUELLAR and TAFOLLA through bribery; to wit, on or about the dates set forth below, in the Southern



District of Texas and elsewhere, the defendants, for the purpose of executing and attempting to execute the scheme and artifice to defraud and deprive, transmitted and caused to be transmitted by means of wire communications in interstate and foreign commerce the following writings, signs, signals, pictures and sounds:

<b>COUNT</b>	<b><u>DATE</u></b>	<b><u>NATURE OF WIRE</u></b>
2	April 25, 2014	Email from Person B to an employee of the City of Weslaco regarding amendments to the WTP.
3	May 18, 2015	Email from LOPEZ to Person B regarding argument to make to the City as to the benefits of the SWWTP.
4	July 6, 2015	Email from LOPEZ to Person B regarding arguments to make to the City as to the benefits of the WTP.
5	September 2, 2015	Email from employee of Company B to an employee of the City of Weslaco and Person B submitting a monthly status report on the WTP.
6	October 5, 2015	Email from employee of Company B to an employee of the City of Weslaco and Person B submitting a monthly status report on the WTP.
7	December 21, 2015	Email from employee of Company B to an employee of the City of Weslaco and Person B submitting invoices for work conducted on the WTP.

All in violation of Title 18 United States Code, Sections 1343, 1346, and 2.

**COUNT EIGHT**  
**18 U.S.C. § 666(a)(2)**  
**(Federal Program Bribery)**

82. Paragraphs 1-79 of this Indictment are re-alleged as if fully set forth herein.

83. From in or about August 2011, up to and including in or about November 2014, in the Southern District of Texas and elsewhere within the jurisdiction of the court, the defendant,

**RICARDO QUINTANILLA,**  
**also known as "Richard"**

did corruptly give, offer, or agree to give a thing of value to any person intending to influence and reward an agent of the City of Weslaco, a local government that received benefits in excess of \$10,000 pursuant to a Federal program involving a grant, contract, subsidy, loan guarantee, and other forms of Federal assistance in 2014, in connection with any business, transaction, or series of transactions of such State government and agency involving something of value of \$5,000 or more: namely, QUINTANILLA gave, offered, and agreed to give cash to TAFOLLA, a public official of the City of Weslaco, intending to influence and reward TAFOLLA in connection with the contracts for the construction and rehabilitation of the city's water treatment facilities.

All in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

**COUNT NINE**  
**18 U.S.C. § 666(a)(2)**  
**(Federal Program Bribery)**

84. Paragraphs 1-79 of this Indictment are re-alleged as if fully set forth herein.

85. From in or about March 2008, up to and including in or about November 2014, in the Southern District of Texas and elsewhere within the jurisdiction of the court, the defendant,

**ARTURO C. CUELLAR, JR.,**  
**also known as "A.C."**

did corruptly give, offer, or agree to give a thing of value to any person intending to influence and reward an agent of the City of Weslaco, a local government that received benefits in excess of \$10,000 pursuant to a Federal program involving a grant, contract, subsidy, loan guarantee, and other forms of Federal assistance in 2014, in connection with any business, transaction, or series of transactions of such State government and agency involving something of value of \$5,000 or more: namely, **ARTURO C. CUELLAR, JR.** gave, offered, and agreed to give cash to **JOHN F. CUELLAR**, a public official of the City of Weslaco, intending to influence and reward **JOHN F.**



**CUELLAR** in connection with the contracts for the construction and rehabilitation of the city's water treatment facilities.

All in violation of Title 18, United States Code, Sections 666(a)(2) and 2.

**COUNT TEN**  
**18 U.S.C. § 666(a)(1)(B)**  
**(Federal Program Bribery)**

86. Paragraphs 1-79 of this Indictment are re-alleged as if fully set forth herein.

87. From in or about March 2008, up to and including in or about November 2014, in the Southern District of Texas and elsewhere within the jurisdiction of the court, the defendant,

**JOHN F. CUELLAR**

a sitting commissioner of the City of Weslaco, a local government that received benefits in excess of \$10,000 pursuant to a Federal program involving a grant, contract, subsidy, loan guarantee, and other forms of Federal assistance in 2014, did corruptly solicit and demand for his own benefit, and accepted and agreed to accept something of value, that is, money, intending to be influenced and rewarded in connection with any business, transaction, or series of transactions of local government and agency involving something of value of \$5,000 or more: namely, **JOHN F. CUELLAR**, a public official of the City of Weslaco, solicited, demanded, accepted and agreed to accept money from **ARTURO C. CUELLAR, JR.**, intending to be influenced and rewarded in connection with the contracts for the construction and rehabilitation of the city's water treatment facilities.

All in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

**COUNT ELEVEN**  
**18 U.S.C. § 1956(h)**  
**(Conspiracy to Launder Monetary Instruments)**

88. Paragraphs 1-79 of this Indictment are re-alleged as if fully set forth herein.

89. From in or about March 2008 and continuing through in or about December 2016, in the Southern District of Texas and elsewhere, the defendants,

**RICARDO QUINTANILLA,  
also known as "Richard"  
JOHN F. CUELLAR,  
ARTURO C. CUELLAR, JR.,  
also known as "A.C.,"  
and  
DANIEL J. GARCIA**

LOPEZ, and TAFOLLA did knowingly combine, conspire, and agree with each other and with other persons known and unknown to the grand jury to commit offenses against the United States in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i), to wit: to knowingly conduct and attempt to conduct a financial transaction which in fact involved the proceeds of specified unlawful activity, that is, bribery of a public official, knowing that the transaction was designed in whole or in part to promote specified unlawful activity and conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity.

All in violation of Title 18, United States Code, Sections 1956(h).

**COUNTS TWELVE to NINETEEN  
18 U.S.C. § 1956(a)  
(Money Laundering)**

90. Paragraphs 1-79 of this Indictment are re-alleged as if fully set forth herein.

91. On or about the dates listed below, in the Southern District of Texas and elsewhere, the defendant,

**RICARDO QUINTANILLA,  
also known as "Richard"**

knowing that the property involved in the financial transactions listed below represented the proceeds of some form of unlawful activity, that is, bribery of a public official, knowingly and willfully conducted and caused to be conducted the financial transactions designed in whole or in

part to promote specified unlawful activity, that is, bribery of a public official, and conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, with each transaction affecting interstate commerce, in that **QUINTANILLA** withdrew funds from the bank account at the financial institutions identified below:

<b><u>Count</u></b>	<b>Date (on or about)</b>	<b>Financial Transaction</b>	<b>Total Amount of Transaction</b>
12	April 16, 2014	Conversion of check #1703, drawn on Lone Star National Bank Acct. No. ****9303, made out to <b>QUINTANILLA</b> , to cash at Lone Star National Bank.	\$2,000
13	May 8, 2014	Conversion of check #1590, drawn on Lone Star National Bank Acct. No. ****9303, made out to <b>QUINTANILLA</b> , to cash at Lone Star National Bank.	\$2,000
14	June 16, 2014	Conversion of check #1544, drawn on Lone Star National Bank Acct. No. ****9303, made out to <b>QUINTANILLA</b> , to cash at Lone Star National Bank.	\$2,000
15	July 31, 2014	Conversion of check #1631, drawn on Lone Star National Bank Acct. No. ****9303, made out to <b>QUINTANILLA</b> , to cash at Lone Star National Bank.	\$2,000
16	August 9, 2014	Conversion of check #1636, drawn on Lone Star National Bank Acct. No. ****9303, made out to <b>QUINTANILLA</b> , to cash at Lone Star National Bank.	\$5,000
17	August 18, 2014	Conversion of check #1642, drawn on Lone Star National Bank Acct. No. ****9303, made out to <b>QUINTANILLA</b> , to cash at Lone Star National Bank.	\$2,000
19	September 5, 2014	Conversion of check #1634, drawn on Lone Star National Bank Acct. No. ****9303, made out to <b>QUINTANILLA</b> , to cash at Lone Star National Bank.	\$5,000



19	October 22, 2014	Conversion of check #1739, drawn on Lone Star National Bank Acct. No. *****9303, made out to QUINTANILLA, to cash at Lone Star National Bank.	\$2,000
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All in violation of Title 18, United States Code, Section 1956(a)

**COUNTS TWENTY to FORTY-SIX**

**18 U.S.C. § 1956(a)  
(Money Laundering)**

92. Paragraphs 1 through 79 of this Indictment are re-alleged as if fully set forth herein.

93. On or about the dates listed below, in the Southern District of Texas and elsewhere, the defendants,

**JOHN F. CUELLAR  
and  
ARTURO C. CUELLAR, JR.,  
also known as "A.C."**

knowing that the property involved in the financial transactions listed below represented the proceeds of some form of unlawful activity, knowingly and willfully conducted and caused to be conducted the financial transactions listed below, which were designed in whole or in part to promote, conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, that is, bribery of a public official, and each transaction affecting interstate commerce, in that the defendants withdrew funds from the bank account at the financial institutions identified below:

<b><u>Count</u></b>	<b><u>Date (on or about)</u></b>	<b><u>Financial Transaction</u></b>	<b><u>Total Amount of Transaction</u></b>
20	4/10/2014	Deposit of check #26819, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of JOHN F. CUELLAR.	\$5,000
21	4/15/2014	Deposit of check #1701, drawn on Lone Star Bank Acct. No. *****9303, into Elsa State Bank	\$45,000



		Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b>	
22	4/24/2014	Deposit of check #26898, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR.</b>	\$5,000
23	5/1/2014	Deposit of check #1720, drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b>	\$15,000
24	5/7/2014	Deposit of check #26950, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR.</b>	\$5,000
25	5/20/2014	Deposit of check #27083, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR.</b>	\$5,000
26	6/4/2014	Deposit of check #27165, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR.</b>	\$5,000
27	6/10/2014	Deposit of Check #1543, drawn on Lone Star Bank Acct. No. ****9303, made out to <b>ARTURO C. CUELLAR, JR.</b>	\$15,000
28	6/18/2014	Deposit of check #27243, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR.</b>	\$5,000
29	7/1/2014	Deposit of check #1554, drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b>	\$15,000
30	7/9/2014	Deposit of check #27353, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR.</b>	\$5,000

31	7/23/2014	Deposit of check #27427, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> .	\$5,000
32	7/29/2014	Deposit of check #1567, drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b>	\$15,000
33	7/29/2014	Deposit of check #1570, drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b>	\$5,000
34	8/7/2014	Deposit of check #27521, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> .	\$5,000
35	8/19/2014	Deposit of check #1643, drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b>	\$12,500
36	8/20/2014	Deposit of check #27608, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> .	\$5,000
37	9/11/2014	Deposit of check #27728, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> .	\$5,000
38	9/23/2014	Deposit of check #27794, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> .	\$5,000
39	9/29/2014	Deposit of check #1684, drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b>	\$25,000
40	10/6/2014	Deposit of check #1685, drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank	\$30,000

		Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b>	
41	10/8/2014	Deposit of check #27870, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR.</b>	\$5,000
42	10/20/2014	Deposit of check #1737, drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b>	\$25,000
43	10/22/2014	Deposit of check #27957, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR.</b>	\$5,000
44	10/31/2014	Deposit of check #1782, drawn on Lone Star Bank Acct. No. ****9303, made out to <b>ARTURO C. CUELLAR, JR.</b>	\$50,000
45	11/6/2014	Deposit of check #28009, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR.</b>	\$5,000
46	11/24/2014	Deposit of check #1787, drawn on Lone Star Bank Acct. No. ****9303, made out to <b>ARTURO C. CUELLAR, JR.</b>	\$4,000

All in violation of Title 18, United States Code, Section 1956(a) and 2.

**COUNT FORTY-SEVEN**

**18 U.S.C. § 1952**

**(Travel Act)**

94. Paragraphs 1 through 79 of this Indictment are re-alleged as if fully set forth herein.

95. On or about February 2, 2016, in the Southern District of Texas and elsewhere, the defendant,

**RICARDO QUINTANILLA,**  
also known as "Richard"



knowingly and willfully did use and cause to be used a facility in interstate and foreign commerce, namely a telephone and a wire and electronic communication, with the intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, namely bribery, contrary to Article XVI, § 41 of the Texas Constitution and Texas Penal Code § 36.02, and thereafter performed and attempted to perform an act to promote, manage, establish and carry on, and to facilitate the promotion, management, establishment and carrying on of the above unlawful activity.

All in violation of Title 18, United States Code, Section 1952(a)(3).

**COUNTS FORTY-EIGHT to SEVENTY-FOUR**

**18 U.S.C. § 1952**

**(Travel Act)**

96. Paragraphs 1 through 79 of this Indictment are re-alleged as if fully set forth herein.

97. On or about the dates listed below, in the Southern District of Texas and elsewhere, the defendants,

**JOHN F. CUELLAR**  
**and**  
**ARTURO C. CUELLAR, JR.,**  
**also known as "A.C."**

knowingly and willfully did use and cause to be used a facility in interstate and foreign commerce, namely a computer network, with the intent to promote, manage, establish, carry on, and facilitate the promotion, management, establishment, and carrying on of an unlawful activity, namely bribery, contrary to Article XVI, § 41 of the Texas Constitution and Texas Penal Code § 36.02, and thereafter performed and attempted to perform an act to promote, manage, establish and carry on, and to facilitate the promotion, management, establishment and carrying on of the above unlawful activity.



<b><u>Count</u></b>	<b><u>Date</u> (on or about)</b>	<b><u>Use of Interstate Facility</u></b>
48	4/10/2014	Deposit of check #26819, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
49	4/15/2014	Deposit of check #1701, in the amount of \$45,000 drawn on Lone Star Bank Acct. No. ****9303, into Lone Star Bank Acct. No. ***8372, in the name of <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
50	4/24/2014	Deposit of check #26898, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
51	5/1/2014	Deposit of check #1720, in the amount of \$15,000 drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
52	5/7/2014	Deposit of check #26950, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
53	5/20/2014	Deposit of check #27083, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
54	6/4/2014	Deposit of check #27165, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
55	6/10/2014	Deposit of Check #1543, in the amount of \$15,000 drawn on Lone Star Bank Acct. No. ****9303, made out to <b>ARTURO C.</b>

		<b>CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
56	6/18/2014	Deposit of check #27243, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
57	7/1/2014	Deposit of check #1554, in the amount of \$15,000 drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
58	7/9/2014	Deposit of check #27353, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
59	7/23/2014	Deposit of check #27427, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
60	7/29/2014	Deposit of check #1567, in the amount of \$15,000 drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
61	7/29/2014	Deposit of check #1570, in the amount of \$5,000 drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
62	8/7/2014	Deposit of check #27521, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
63	8/19/2014	Deposit of check #1643, in the amount of \$12,500 drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No.



		***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
64	8/20/2014	Deposit of check #27608, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
65	9/11/2014	Deposit of check #27728, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
66	9/23/2014	Deposit of check #27794, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
67	9/29/2014	Deposit of check #1684, in the amount of \$25,000 drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
68	10/6/2014	Deposit of check #1685, in the amount of \$30,000 drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, ] in the name of <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
69	10/8/2014	Deposit of check #27870, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
70	10/20/2014	Deposit of check #1737, in the amount of \$25,000 drawn on Lone Star Bank Acct. No. ****9303, into Elsa State Bank Acct. No. ***1213, in the name of <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.

71	10/22/2014	Deposit of check #27957, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
72	10/31/2014	Deposit of check #1782, in the amount of \$50,000 drawn on Lone Star Bank Acct. No. ****9303, made out to <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
73	11/6/2014	Deposit of check #28009, in the amount of \$5,000, drawn on First Victoria National Bank Acct. No. *****7700, into Inter National Bank Acct. No. **623 in the name of <b>JOHN F. CUELLAR</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.
74	11/24/2014	Deposit of check #1787, in the amount of \$4,000 drawn on Lone Star Bank Acct. No. ****9303, made out to <b>ARTURO C. CUELLAR, JR.</b> , causing the funds to be routed over a computer network, a facility in interstate commerce.

All in violation of Title 18, United States Code, Section 1952(a)(3) and 2.

**NOTICE OF CRIMINAL FORFEITURE**  
**18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)**

1. Pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), the United States gives notice to the defendants,

**RICARDO QUINTANILLA,**  
**also known as "Richard,"**  
**JOHN F. CUELLAR,**  
**ARTURO C. CUELLAR, JR.,**  
**also known as "A.C.,"**  
**and**  
**DANIEL J. GARCIA**

that upon conviction of an offense in violation of Title 18, United States Code, Sections 1343, 1349, 666, 1956, and 1952, as charged in Counts 1 through 74 of this Superseding Indictment, all



property, real or personal, which constitutes or is derived from proceeds traceable to such offense, is subject to forfeiture.

Property Subject to Forfeiture

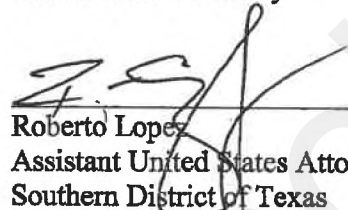
The property subject to forfeiture is approximately \$4,100,000. In the event that a condition listed in Title 21, United States Code, Section 853 exists, the United States will seek to forfeit any other property of the defendant in substitution up to the total value of the property subject to forfeiture. The United States may seek the imposition of a money judgment.

A TRUE BILL:



FOREPERSON OF THE GRAND JURY

RYAN K. PATRICK  
United States Attorney



Roberto Lopez  
Assistant United States Attorney  
Southern District of Texas  
Email: Roberto.Lopez2@usdoj.gov

ANNALOU TIROL  
Acting Chief  
Public Integrity Section

*s/ Peter M. Nothstein*  
Peter M. Nothstein  
Jessica C. Harvey  
Trial Attorneys  
Public Integrity Section, Criminal Division  
Email: Peter.Nothstein@usdoj.gov  
Email: Jessica.Harvey@usdoj.gov

DC-19-212  
Starr County - District Clerk

Filed: 5/6/2019 12:38 PM  
Orlando Velasquez, District Clerk  
Starr County, Texas

Zeida Leija

# EXHIBIT 2

**381<sup>ST</sup> Judicial District Court**  
**CRIMINAL DOCKET SHEET**

NUMBER OF CASE			NAME OF PARTIES	ATTORNEYS
17-CR-323			STATE OF TEXAS	RICK SALINAS
COUNT I – MURDER			VS.	OSCAR RENE FLORES
COUNT II TAMPERING WITH PHYSICAL EVIDENCE			JOSE LUIS GARCIA JR.	DANIEL GARCIA
DATE OF ORDERS			ORDERS OF THE COURT	
Mo.	Day	Year		
10	31	17	INDICTMENT FILED	
11	03	17	\$1,000,000.00 S.B APPROVED BY JUDGE GARZA ON COUNT I AND \$500,000.00 S.B. ON COUNT II	
11	06	17	INSTRUCTED CLERK TO ISSUE WRIT. DEFENDANT WILL BE BROUGHT TO COURT FROM THE STARR COUNTY DETENTION CENTER FOR ARRAIGNMENT ON 11/08/17 @ 1: 30 P.M.	
11	07	17	MOTION TO REDUCE BOND, RICK SALINAS FILED NOTICE OF APPEARANCE OF COUNSEL	
11	08	17	MOTION TO DETERMINE ADMISSIBILITY OF STATEMENTS, MOTION TO SUPPRESS STATEMENTS, DEFENDANT BROUGHT TO COURT FROM HE STARR COUNTY DETENTION CENTER FOR ARRAIGNMENT AND HEARING ON MOTION TO REDUCE BOND. RICK SALINAS AND OSCAR RENE FLORES PRESENT ON BEHALF OF DEFENDANT AND ALEXANDRIA ON BEHALF OF THE STATE. SALINAS WAIVED ARRAIGNMENT ON BEHALF OF DEFENDANT , ENTERED A PLEA OF NOT GUILTY AND REQUESTED PRETRIAL DATES. COURT SET CASE FOR PRETRIAL ON 1/10/18, FINAL PRETRIAL ON 2/14/18 AND TRIAL ON 2/26/18. DCO ENTERED WITH DATES AND COPY WAS PROVIDED TO ALL PARTIES. SALINAS URGED MOTION TO REDUCE BOND. AFTER HEARING ARGUMENTS FROM BOTH STATE AND DEFENSE COURT DENIED MOTION TO REDUCE BOND. SIGNATURE PENDING ON ORDER.	
11	14	17	DISCOVERY ORDER SIGNED BY THE COURT	
12	06	17	VOLUNTARY ORDER OF RECUSAL SIGNED BY THE COURT	
12	28	17	JOINT MOTION FOR CHANGE OF VENUE	
1	10	18	ORDER OF ASSIGNMENT-HONORABLE ROBERT GARZA MOTION TO RECONSIDER FOR A HEARING FOR A BOND REDUCTION	
4	03	18	MOTION FOR DISCOVERY	



**381<sup>ST</sup> Judicial District Court**  
**CRIMINAL DOCKET SHEET**

NUMBER OF CASE			NAME OF PARTIES	ATTORNEYS
17-CR-325			STATE OF TEXAS	RICK SALINAS
TAMPERING WITH PHYSICAL EVIDENCE -HUMAN CORPSE			VS.	OSCAR RENE FLORES
			JOSE LUIS GARCIA JR.	DANIEL GARCIA
DATE OF ORDERS			ORDERS OF THE COURT	
Mo.	Day	Year		
10	31	17	INDICTMENT FILED	
11	03	17	\$500,000.00 S.B APPROVED BY JUDGE GARZA	
11	06	17	INSTRUCTED CLERK TO ISSUE WRIT. DEFENDANT WILL BE BROUGHT TO COURT FROM THE STARR COUNTY DETENTION CENTER FOR ARRAIGNMENT ON 11/08/17 @ 1: 30 P.M.	
11	08	17	MOTION TO DETERMINE ADMISSIBILITY OF STATEMENTS, MOTION TO SUPPRESS STATEMENTS, DEFENDANT BROUGHT TO COURT FROM HE STARR COUNTY DETENTION CENTER FOR ARRAIGNMENT AND HEARING ON MOTION TO REDUCE BOND. RICK SALINAS AND OSCAR RENE FLORES PRESENT ON BEHALF OF DEFENDANT AND ALEXANDRIA ON BEHALF OF THE STATE. SALINAS WAIVED ARRAIGNMENT ON BEHALF OF DEFENDANT, ENTERED A PLEA OF NOT GUILTY AND REQUESTED PRETRIAL DATES. COURT SET CASE FOR PRETRIAL ON 1/10/18, FINAL PRETRIAL ON 2/14/18 AND TRIAL ON 2/26/18. DCO ENTERED WITH DATES AND COPY WAS PROVIDED TO ALL PARTIES. SALINAS URGED MOTION TO REDUCE BOND. AFTER HEARING ARGUMENTS FROM BOTH STATE AND DEFENSE COURT DENIED MOTION TO REDUCE BOND. SIGNATURE PENDING ON ORDER.	
11	14	17	DISCOVERY ORDER SIGNED BY THE COURT	
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4	03	18	MOTION FOR DISCOVERY	